



## **CONSULTANT SERVICES**

### **INDUSTRIAL LAND AND REAL ESTATE**

#### **A. Introduction**

The Millennium Challenge Corporation (MCC) is a U.S. Government corporation whose mission is to provide assistance that will support economic growth and poverty reduction in carefully selected countries that demonstrate a commitment to just and democratic governance, economic freedom, and investments in their citizenry. For more information on the MCC, please visit [www.mcc.gov](http://www.mcc.gov).

The Millennium Challenge Corporation (MCC) has a requirement for project appraisal, project development support, and implementation expertise related to industrial land/real estate and the land and real estate components of industrial zone development and management in Morocco and other eligible MCC countries.

#### **B. Background**

The Millennium Challenge Corporation's (MCC) first Compact with the Government of Morocco (GOM), with a value of \$697.5 million, concluded in September 2013. MCC selected Morocco as eligible for a second Compact. MCC is now working with the GOM on the development of Morocco's second MCC Compact. Compact development begins with a Constraints Analysis (CA), to identify an eligible country's binding constraints to growth.

The CA for Morocco represents a combined effort by the GOM, the African Development Bank (AfDB), and the Millennium Challenge Corporation (MCC). The analysis identified the following areas as binding constraints to economic growth and investment in Morocco: (i) education quality; (ii) land policy and implementation (with qualitatively different issues for rural areas and industrial zones); and (iii) governance, notably labor market regulations, taxes, and the judiciary system. In addition, the analysis identified the effectiveness of government coordination as an overarching issue that directly impacts the binding constraints identified and the efforts of the GoM to address them to date.

According to the CA, the poor quality of available industrial land constitutes a binding constraint to economic growth and investment in Morocco. While industrial land is relatively less expensive compared with residential and non-industrial land, the available industrial land, composed primarily of subsidized public land, frequently lacks the necessary complementary infrastructure and location requirements to respond to market demand. This creates an essential disconnect between supply and demand. Lack of coordination among government agencies and lengthy administrative procedures impose additional costs and constraints on firms and investors.

In rural areas, land tenure insecurity, the fragmentation of land ownership, and the common ownership of land inhibit economic growth. The rates of land titling and land rights registration are low, sometimes contributing to perceptions of tenure insecurity among potential investors. Agricultural land holdings have been fragmented into small plots and are often commonly owned, lowering incentives to invest. As well, small parcel size can make it more difficult to scale production. Low productivity in the agricultural sector results.

MCC requires consultancy services to support the development and due diligence of projects or activities that will effectively address the land-related constraints to economic growth identified in Morocco. This on-going, intermittent technical support is for a one year period of performance.

### ***C. Scope***

This consultancy covers a range of services that are required to support MCC in Compact Development and potentially, Compact implementation. MCC requires a consultant to provide expert skills to MCC for the development and due diligence of an industrial land component as part of Morocco's anticipated proposal of a land project as part of the second MCC Compact. The consultant shall serve as a technical advisor to MCC providing project/activity assessment and design advice and due diligence on aspects of the GOM's emerging proposal for the land sector. The consultant will not be serving as a technical advisor to the GOM.

An industrial land component of the second Compact is expected to include technical assistance and pilot-testing to help Morocco develop and mainstream improved approaches to mobilizing, developing, and allocating industrial land. This is expected to strengthen the productivity of industrial land and the performance of the industrial share of Morocco's economy.

Topics to be targeted in an eventual project include: legal and regulatory texts governing industrial land development; tax incentives and subsidy mechanisms related to industrial land development, ownership, and use; different tenure regimes for industrial land (sales, leasing, etc); roles, responsibilities and performance of State institutions related to allocation, mobilization, or management of industrial land; the enabling environment for private investors and private real estate developers to participate in the mobilization and development of industrial land; and mechanisms for understanding and projecting demand for industrial land by different types of firms; mechanisms for management of industrial land areas and financing and management of shared services; and assessment of viability of existing zones and identification of mechanisms to revitalize or convert to other uses.

Services under this consultancy provide MCC with support in i) identifying feasible, detailed activity components to respond – systemically, and over the long term – to root causes of the industrial land problems being targeted by a Compact project or activities; ii) helping MCC provide best-practice guidance to the GOM in designing the specific components of land-related activities proposed; iii) helping MCC work with the GOM to conduct private sector engagement and identify potential PPP solutions; iv) identifying data/information needs which should be pursued by the GOM during the Compact development process to aid in formulation of appropriate ERR models for an MCC project; v) reviewing and advising MCC on program design documents; and potentially, vi), providing support in implementation oversight.

The consultant shall support MCC by conducting technical review and analysis of land-related projects/activities in Morocco, and potentially in other MCC eligible countries. This includes the evaluation of proposed projects and making recommendations regarding strategies to ensure relevant and well-designed activities to address the land-related binding constraints to growth in Morocco or other eligible MCC countries. Work under this Call Order is assigned by technical directives, issued by MCC. Work is expected to begin in November 2014.

#### **D. Tasks**

The consultant's Tasks include the following:

- Complete project appraisal to determine whether the proposed project/activities/tasks are appropriate and will have the intended effects.
- Recommend solutions to respond to the problems and problem root causes already identified, based on Consultant expertise and knowledge of best practices feasible in Morocco/MENA region and globally- legal, regulatory, financial, or other mechanisms with which other countries with problems similar to Morocco's have responded.
- Provide specific design recommendations for proposed activities to maximize feasibility, consistency with sector best practice, economic benefits, and sustainability – pros and cons as appropriate.
- Evaluate relevant laws, regulations, and other relevant texts, identify legal framework implications for project design or project feasibility.
- Assess institutional allocation of responsibilities related to industrial land administration, among national institutions and between national and local institutions.
- Conduct In-depth institutional capacity analysis of proposed implementing partners.
- Conduct in-depth analysis of the dimensions of demand by firms for industrial land.
- Conduct in-depth analysis of the drivers of private sector participation in industrial land development.
- Analyze current usage, effectiveness, or feasibility of selected land administration tools on matters such as:
  - Technology for cadastre and registry system improvements
  - Demand for land administration systems and land information improvements for specific categories of users
  - Land use and spatial planning tools
- Identify key risks and assumptions, and recommended mitigants if risks were borne out or assumptions do not hold.
- Analyze sustainability risks with the proposed project and propose mitigation strategies.
- Generate or review detailed estimated project budget in MS Excel.
- Generate summaries of potential environmental, social, gender performance impacts and opportunities.
- Generate illustrative activity implementation sequencing and results achievement timeline over a five year Compact.
- Advise MCC on critical decision points and concerns related to project design, costing of program, and program governance.
- Develop documents on other key topics in order to address project readiness at time of MCC's investment review.
- Participate in periodic teleconferences with MCC, as required.
- Other tasks as specified in technical directives.

#### **E. Deliverables**

The Consultant shall provide services to MCC to support MCC in the flexible and timely manner needed to meet the evolving needs of Compact development and negotiation. Technical directives under this Call Order will be issued and the consultant deployed each time the consultant's services are required. No additional tasks shall imply any additional costs to the Government beyond the amount allowed for in the initial Call Order; however, this Call Order may be modified to reflect

changes and potential additional costs associated with further project due diligence and appraisal needs or implementation planning in Morocco or in additional MCC-eligible countries.

Deliverables include: Written reports containing output on tasks listed above, or other written information or outputs as may be requested by the COR/PM. These may be followed by revised deliverables, as may be necessary following MCC review. Deliverables may also include presentations and presentation materials for selected audiences at MCC headquarters or in Morocco and other eligible countries, phone calls, or email responses, as required.

The language of written deliverables will be French or English, at MCC's discretion, based on the specific scope of technical directives. Language of deliverables or portions of deliverables may vary depending on the nature of the deliverable and the audience for the deliverable.

In completing the required tasks and deliverables, the consultant is expected to compile and reference any/all other relevant studies, reports, or documents used or referenced, with copies shared with MCC as required.

### **Acceptance Criteria**

Deliverable 1: Trip reports, ad hoc reports or information as required by the COR/PM.

Deliverable 2: Final report, including comments by MCC, due as per agreement between the consultant and the COR prior to completion of this Call Order.

### **F. Conflict of Interest**

The consultant is precluded from bidding on work and services (design, assessment, construction and supervision) to be procured by the local MCA accountable entity or using funds advanced under a Threshold in the relevant country, unless the consultant submits a mitigation plan sufficient to ameliorate any conflict of interest pursuant to the rules applicable to the procurement process.

### **G. Period of Performance**

This consultancy maybe filled as a short or long term consultancy with a base period of twelve months. 500 hours are estimated for this effort.

### **H. Performance Location**

The consultant will work from home office and/or MCC headquarters, Morocco and MCC eligible countries.

### **I. Timing and Reporting**

All formal communication with MCC, including reports, shall be submitted to the Contracting Officer Representative (COR)/Project Monitor (PM). The COR/PM for this requirement will be identified via separate correspondence.

The COR/PM will have technical responsibility for monitoring the contractor's performance. The COR/PM will review and evaluate the contractor's performance, and also coordinate any communications with relevant counterparts and other donor agencies and organizations.

Any changes in the terms of the Call Order will be made in writing and approved by the Contracting Officer. No representation of the COR/PM shall serve as a basis for a change in the general scope of this Call Order or of the terms and conditions of the Call Order unless confirmed in writing by the Contracting Officer. The consultant shall communicate with the Contracting Officer on all matters that pertain to the Call Order terms. Proceeding with work without proper contractual coverage could result in nonpayment for that work.

***J. Other Requirements***

International travel may be required. The consultant may be requested to mobilize on short notice.